THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) and (b) The operations of the Barauni unit which belongs to Hindustan Fertilizer Corporation Ltd. (HFC) have been suspended from January, 1999 due to a very high cost of production and heavy operational losses suffered by the unit continuously. The average loss per month during the current year is estimated at Rs. 3.15 crore.

(c) The unit has a work force of 1311 (292 officers and 1019 workers) as on 31.1.2000.

(d) The rehabilitation of HFC including its Barauni unit depends on the decision of the competent authority in the Government and the final sanction of the Board for Industrial and Financial Reconstruction.

FDI in making bulk drugs

1675. SHRI PRAFULL GORADIA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have allowed upto 74 per cent foreign direct investment to foreign companies and their intermediates, making bulk drugs;

(b) if so, the reasons for this permission; and

(c) what advantages are likely to accrue to the common man as a result of this shift in the policy?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) to (c) In order to promote foreign direct investment in the pharmaceutical sector, the Government has decided to permit upto 74 per cent foreign equity under the automatic route.

Deletion and addition of items under TPDS

1676. SHRI RAHASBIHARI BARIK: Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government have a proposal to delete and add some items from Targeted Public Distribution System;

(b) if so, the details of items proposed to be deleted or added from the TPDS; and

(c) the steps taken to revamp the TPDS?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI SHRIRAM CHAUHAN): (a) No, Sir.

(b) Does not arise.

(c) Government has been receiving inputs that the current Targeted Public Distribution System (TPDS) suffers from some inadequacies. In a process of revamping PDS to make it more efficient and better targeted for the poor and needy the Government has consulted the State Governments in a series of meetings.

Government of India has recently announced increase in allocation of foodgrains for people living below poverty line (BPL) from 10 kg. to 20 kg. per family per month in the Budget presented in the Parliament for the financial year 2000-2001.

CAG's observation on grain shortage

1677. SHRI V.N. GADGIL: Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Comptroller and Auditor General of India, in its audit of Food Corporation of India has found that there is alarming shortage of about half a million tons of grain;

(b) whether rupees 11 crores were spent on the first audit of FCI; and

(c) whether the audit was conducted by a Swiss Company (SGS)?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI SHRIRAM CHAUHAN): (a) to (c) Yes, Sir. A shortage of about 4.74 lakh tonne of foodgrains was found on physical verification of stocks held by Food Corporation of India in an audit conducted by the Comptroller and Auditor General of India (C&AG). An expenditure of Rs. 10.81 crore was incurred on this audit. The verification of the stocks of foodgrains by C&AG was conducted through the surveyors, M/s. SGS India Ltd. which is an affiliate of the Societe Generale de Surveillance, a Company registered in Switzerland.

Import of Sugar and Wheat

†1678. SHRI JHUMUK LAL BHENDIA: Will the Minister of CONSUMER